

the cost of Medicare and you are shifting it onto the backs of working people who are already paying very substantial premiums for current Medicare recipients and for their future cost.

This kind of leads you to what happened yesterday when Senator DOLE and Speaker GINGRICH called a news conference to explain all this, and as they found that they could not explain it to the press, they finally just simply walked out of the news conference. They just walked off stage.

They called the news conference, they said, "We want the news conference to explain to the American people how we are saving Medicare," and when they got into the news conference a few minutes, they found out that they could not explain it because the numbers do not add up. They cannot protect Social Security under their plan or they cannot protect the balanced budget under their plan or they cannot protect the tax cut under their plan. So they simply in a huff walked out of the room and said they would get back to everyone later.

That is what the fear is about in the country today, is that they will get back to us later. I guess the new date for the budget is on May 17, and at that point then we will, I guess, be able to unravel the puzzle here on how they are going to meet the goal of the balanced budget which almost everybody in the country believes should happen, the goal of the tax cut which most of the country thinks is kind of a luxury when you are running a deficit of \$250 to \$300 billion a year, a \$4 trillion national debt, to now borrow money to give people a tax cut or borrow money from the Social Security recipients to give the people a tax cut.

This just no longer makes any kind of economic sense, and looks very bad both for the deficit, for Social Security recipients, and eventually for low-income people who rely on the programs that have already been cut.

I will be happy to yield to the gentleman from California.

Ms. PELOSI. I thank the gentleman for yielding.

I wanted to focus on one point you had made about the Republicans saying they would not touch Social Security, but what these Medicare cuts will do. It would reduce half of the Social Security cost-of-living adjustment for millions and millions of our senior citizens. In fact, 2 million Medicare beneficiaries will have all or most of their cost of living adjustments consumed by the Republican beneficiary cost increases.

Mr. MILLER of California. So in fact what you are saying is when they get a COLA increase, the vast amount of that COLA will simply be absorbed in additional Medicare costs to the Social Security recipient?

Ms. PELOSI. Yes. It is a back door way of cutting Social Security.

MORE ON MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. DURBIN] is recognized for 5 minutes.

Mr. DURBIN. Mr. Speaker, I would like to follow up on the earlier discussion by the gentleman and the gentleman from California about Medicare.

I think it is critically important for us to focus on the fact that when we are talking about Medicare, we are not necessarily just confining our interest to the health care of our parents and grandparents. Some of us who are advancing in age look to Medicare just a few years down the line to take care of them, too.

But the bottom line is that Medicare and Medicaid, the other Government health care program, are major sources of funding for hospitals across the United States. In my small-town district in Illinois, I have many, many hospitals, and I find that 60 percent to 80 percent of the revenue coming into those hospitals comes from those two Government programs, Medicare and Medicaid.

So when I hear suggestions made, as I have from some Republican leaders who are trying to come up with a budget, that they want to make cuts of billions of dollars in Medicare funds in out years, it not only should cause concern among seniors and people soon to be seniors as to whether they will have to pay more out of pocket, it also raises a serious question as to whether or not these hospitals will receive enough revenue to keep their doors open.

Those who visit with the hospital administrators and boards know that there have been dramatic changes in these hospitals in rural and small town America over the last 10 years. Most of them have downsized, there are fewer patient beds, there is more outpatient service, and they depend dramatically on Medicare and Medicaid to continue to keep their doors open.

We just finished last week in Ames, IA, a rural conference with President Clinton and Vice President Gore talking about the future of small-town America. A lot of concentration was put on bringing new jobs and keeping businesses in rural America. What we found is that when the Chamber of Commerce or the local boosters want to bring in a business or keep one, they have to answer some basic questions. The first question is: Do you have a hospital? How many doctors do you have?

So when we talk about changing a Federal program for medical care, reducing the expenditure and literally threatening the bottom line of rural and small-town hospitals, the ripple effect goes far beyond the jobs at that hospital. It goes far beyond whether or not that ambulance has to drive 5 minutes or 50 minutes with a patient who is in critical need. It goes to the ques-

tion of whether or not the community survives.

Members of Congress fight battles day in and day out to keep Federal facilities open in small towns. We know how important they are. There is nothing more important than a hospital. Absolutely nothing. In rural America, it is critically important because we have an older population. Many of them are in farming, the most dangerous occupation in America, and a lot of them get involved in automobile accidents in rural areas at higher speeds with more injuries.

So all these debates that we hear on Capitol Hill about budget resolutions and the future of Medicare have dramatic importance to people living in small town America. They had better tune in.

Let me tell you, also, as I listen to this debate, I am really troubled. The Republicans yesterday, Mr. DOLE, Mr. GINGRICH, tossed down the gauntlet and said, "President Clinton, why haven't you told us anything about health care reform?"

Excuse me? This President was here 2 years ago with a proposal on health care reform. It was one that was detailed. Perhaps it was overly bureaucratic, maybe it was too large in its scope, but he accepted the challenge long before they issued it. He came to us and said, "Let's look at the integrated health care system of America and how we can help Medicare, Medicaid, uninsured people, and the private sector," and it fell on deaf ears.

The insurance industry ran over him like a steamroller, and that was the end of the debate. Now the Republican leaders have discovered the issue again because the problem is still there. The problem is there in terms of human terms and in terms of budget terms.

I sincerely hope that we can come to some sort of bipartisan dialog on this. But I think honestly before that occurs that the Republican leaders, particularly those in the House, are going to have to basically admit the reality that they cannot have a tax cut package which adds more to our Nation's deficit at the time that they are talking about cutting a program as critical as Medicare.

I think if they drop that whole Republican tax bill and then say, "Let's come to the table," we have got a real opportunity for bipartisanship. But why in the world should my senior citizens, should my small towns and should my neighbors lose a community hospital critical for the future of that community in order to give tax breaks to the wealthiest people in America under the Republican Contract With America? That does not compute. You cannot give a tax credit large enough to a family to make up for the loss of a hospital when there is serious need, when that family needs that medical care.

I yield to the gentlewoman from California.

Ms. PELOSI. I appreciate the gentleman's comments about what it means to hospitals, both rural and urban, and why we need to address the budget seriously without taking out all these hundreds of billions of dollars for tax cuts for the wealthiest.

I wanted to point out that distinction again, though, between tax cuts for the wealthiest and who is paying the price, out-of-pocket cost to senior citizens.

Right now the Urban Institute says that seniors spend a staggering 21 percent of their incomes to pay for out-of-pocket health care costs. That is now. If the Republicans go through with their tax cuts and take it out of Medicare, as we said earlier in the special order of the gentleman from California, this will again take it out of the pockets of seniors, a back door way of reducing their Social Security benefits by having them pay in some cases 100 percent of the cost-of-living adjustment and in many cases a majority of the cost-of-living adjustment.

So we absolutely must recognize who is paying for whose benefit. The senior citizens, the most vulnerable in our country, their health care benefits, out-of-pocket costs, will be used to pay for tax breaks for the wealthiest Americans. That just cannot be right.

Let's all be of good faith in this. Eliminate the tax break from this equation. Let's get down to talking about making Medicare solvent and doing it in a way that is respectful of the limitations of income of our senior citizens.

Mr. DURBIN. I thank the gentleman for her comments. I want to add something.

We are in a period of sacrifice. We will have to cut back on Federal spending. We are asking people to accept that reality. But think about some of the people affected by this debate. Some of the people literally dependent on Medicare and Medicaid are in nursing homes, totally unable to take care of themselves. They have exhausted all of their savings. They are dependent on Government programs and what their families can come up with. As we increase their expenses, there is nowhere for them to turn to make up the difference.

INTRODUCTION OF THE PROFESSIONAL TRADE SERVICE CORPS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I agree with my colleagues who were on the floor here of the absolute necessity of the United States balancing its budget and putting our financial house in order. But this afternoon, I want to talk to you about a different deficit, the trade deficit, and a piece of legislation I am introducing today, the Professional Trade Service Corps Act,

which is essential to America correcting that deficit as well.

U.S. trade policy for the last two decades under both Democratic and Republican Presidents has been a major net loser for our Nation, its businesses and our workers. While some individual corporations and certain shareholders have benefited, overall the productive wealth of America has been diminished, as ballooning trade deficits have fueled the movement of our dollars offshore, as our citizens bought more and more imported goods coming into this country rather than our exports being sold abroad.

Trade deficits represent a serious decapitalization of this country, with more and more of our people's money moving abroad to pay for the goods they are buying from foreign importers, while foreign capital pours into this country. The economic accounts tell the story.

In 1980, our country was a net lender to the world, as foreign interests owed us more than \$400 billion.

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Today, however, the United States owes foreign creditors nearly \$800 billion. We are now a net debtor nation.

As foreign imports, including many from U.S.-based firms that have escaped offshore, surge into our country, jobs that should have been created here, good-paying jobs, are now being located elsewhere in the world.

Furthermore, the value of our dollar continues its decade-long decline as U.S. dollars flood into the international market to pay for the goods that we are buying from other places.

Last year our country racked up yet another record deficit with the world in merchandise trade of over \$166 billion. For January of this year, the United States set a monthly record deficit of \$12 billion more in just 1 month, and keep in mind \$1 billion of debt in trade translates into 23,000 lost jobs in this country.

These deficits represent real lost jobs, stagnant wages, and decreased living standards as your dollar buys less in this country.

You might be watching the trade talks that are going on with Japan right now. Last year we had over \$66 billion in trade deficit with Japan, more of their goods coming in here than our goods being able to get into that market, because in fact it is a closed market, and if you just look at the automotive segment of that deficit, which represents half of our deficit with Japan, if we could solve that problem we could build in this country 100 factories, each employing over 5,000 workers, 100 factories, each employing over 5,000 workers, if we only solved half the trade problem that we have with Japan.

In short, these deficits hurt every American in our communities, and that is why today I am introducing the Professional Trade Service Corps bill to upgrade U.S. trade negotiating functions through creation of a specialized

tenured body of trained professional trade negotiators for this country. The Corps' mission would be to conduct U.S. trade negotiations and streamline the trade functions of this Government.

The Professional Trade Service Corps incorporates a three-tier strategy to address the need for more skilled and committed U.S. trade negotiators. First the proposal would accomplish that goal by creating an elite professional body of American negotiators to address the issues of short tenure and the revolving door among our trade negotiators.

The average trade negotiators for our country stay in their position 2 years. The average negotiator for Japan stays in his position 30 years, speaks several languages, and has worked in various countries around the world.

Our bill would also establish a Trade Services Institute to train our current and future U.S. trade negotiators in the practices, culture, and customs of our trade competitors.

Then finally the bill restricts Trade Service Corps officials as well as other senior members of the executive and legislative branches from representing or advising foreign interests immediately after leaving Government service.

U.S. trade negotiators serve on the front lines of today's battle to win market share in the increasingly competitive international marketplace. To win, our country must have highly trained, professional, tenured, and committed trade negotiators with integrity at the table negotiating the best terms for America's workers and America's businesses.

I ask my colleagues to please join me in cosponsoring the Professional Trade Service Corps Act. Put this country on an equal footing at the international bargaining tables that control our destiny in terms of jobs and development in this country.

FAIR TRADE WITH JAPAN

(Mr. MCINTOSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCINTOSH. Mr. Speaker, today, officials from the U.S. Trade Representative's Office are meeting with Japanese officials to address the current trade imbalance in auto parts between our two countries. I hope their efforts are successful.

Now, I am an advocate for free trade. For countries to prosper in today's global market place, they must export and import freely. The deal is simple. It's a two-way street.

Unfortunately, when it comes to Japan, our open market-policies have not been reciprocated. Hard-working American autoworkers and manufacturers of automotive parts in Indiana and throughout America have faced unfair barriers to their products. Last